

Message Text

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71

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 AGR-20 SS-20 NSC-07 L-03 SWF-02

AID-20 CEA-02 CIAE-00 COME-00 EB-11 FRB-02 INR-10

NSAE-00 RSC-01 CIEP-02 SP-03 STR-08 TRSE-00 LAB-06

SIL-01 SAM-01 OMB-01 DRC-01 /161 W

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R 091801Z JUL 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 7177

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD

UNCLAS EC BRUSSELS 5035

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, ETRD, EC

SUBJECT: NEW EC MEASURES IN THE BEEF SECTOR

REF: (A) TOFAS 130 (B) EC BRUSSELS 4642; (C) EC A-132

1. BEGIN SUMMARY: ON JULY 8, THE EC COMMISSION ANNOUNCED NEW MEASURES IN THE BEEF SECTOR INCLUDING TIGHTENED IMPORT RESTRICTIONS, CHANGES IN THE INTERVENTION SYSTEM, AND THE DISTRIBUTION OF BEEF AT REDUCED PRICES TO SOCIAL INSTITUTIONS AND THE NEEDY. BEEF EXPORT SUBSIDIES HAVE UNCLASSIFIED

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NOT BEEN INCREASED OVER THOSE ANNOUNCED JULY 1 (REF A). END

SUMMARY

2. DURING THE MEETING OF THE EUROPEAN PARLIAMENT ON JULY 8 IN STRASBOURG, EC COMMISSIONER LARDINOIS ANNOUNCED A NUMBER OF NEW MEASURES THAT THE COMSSION HAS TAKEN, INTENDS TO TAKE, OR INTENDS TO PROPOSE TO COUNCIL TO HELP PROP UP MARKET PRICES FOR CATTLE AND STIMULATE BEEF CONSUMPTION. THE NEW MEASURES ARE SUMMARIZED BELOW. FURTHER DETAILS WILL BE TRANSMITTED BY AIRGRAM.

3. IMPORTS FROM THIRD COUNTRIES: FOR THE PERIOD JULY 9-12, THE COMMISSION HAS BANNED THE ISSUANCE OF IMPORT LICENSES FOR FRESH AND CHILLED BEEF AND VEAL AND FOR LIVE CATTLE (OTHER THAN BREEDING STOCK) FROM ALL THIRD COUNTRIES. ON JULY 13 THE COMMISSION INTENDS TO EXTEND "THE JUMELAGE" SYSTEM TO IMPORTS OF FRESH AND CHILLED BEEF AND LIVE CATTLE. UNDER THIS SYSTEM, WHICH UP TO NOW HAS APPLIED ONLY TO FROZEN BEEF OUTSIDE THE GATT QUOTAS, IMPORTS OF ALL BEEF AND VEAL (EXCEPT FROZEN BEEF UNDER QUOTA) AND ALSO OF LIVE CATTLE WILL HAVE TO BE MATCHED BY PURCHASES BY IMPORTERS OF EQUIVALENT QUANTITIES OF BEEF FROM INTERVENTION STOCKS.

4. THE COMMISSION INTENDS TO PROPOSE THAT THE COUNCIL TEMPORARILY BAN IMPORTS OF BEEF AND PORK UNDER THE ACTIVE PROCESSING SYSTEM WHICH PERMITS IMPORTATION OF MEAT UNDER SPECIAL TERMS OF PROCESSING INTO PRODUCTS FOR EXPORT.

5. INTERVENTION SYSTEM: THE COMMISSION INTENDS TO UNDERTAKE A THROUGH REEXAMINATION OF THE BEEF INTERVENTION SYSTEM AND, ON THE BASIS OF THIS STUDY, MAY PROPOSE THAT THE COUNCIL MODIFY THE SYSTEM.

6. THE COMMISSION TENDS TO FACILITATE PROCESSING OF INTERVENTION BEEF, AND, THROUGH FEOGA FINANCED PROJECTS, TO IMPROVE THE COMMUNITY'S BEEF PROCESSING CAPACITY.

7. MORE STRINGENT QUALITY STANDARDS MAY BE ENACTED FOR BEEF OFFERED FOR INTERVENTION. THIS MEASURE WOULD BE DESIGNED TO SLOW THE FLOW OF BEEF INTO INTERVENTION, NOW RUNNING AT ABOUT 10,000 MT PER WEEK.

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8. OTHER INTERNAL MEASURES: THE COMMISSION TENDS TO PROPOSE THAT THE COUNCIL AUTHORIZE SALE OF BEEF INTERVENTION STOCKS TO SOCIAL INSTITUTIONS (SCHOOLS, ETC.), AND SALE OF BEEF WITH THE AID OF SUBSIDIES TO THE "SOCIALY DEPRIVED".

9. THE BRITISH SUGGESTION FOR A SLAUGHTER PREMIUM FOR CATTLE HAS NOT BEEN ADOPTED BY THE COMMISSION BUT WILL BE DISCUSSED BY THE

COUNCIL OF AGRICULTURAL MINISTERS ON JULY 15-16. THE COMMISSION, HOWEVER, HAS DECIDED TO PROPOSE THAT THE COMMUNITY GRANT A SUBSIDY OF 100 U.A. PER HEAD OF CATTLE TO ENCOURAGE PRODUCERS TO DELAY BY 4- 6 MONTHS THE SLAUGHTER OF UP TO 400,000 HEAD OF CATTLE. THE SUBSIDY WOULD BE PAID IN THE SPRING OF 1975.

10. IN ADDITION, THE COMMISSION INTENDS TO PROPOSE AN EC-ORGANIZED AND FINANCED PUBLICITY CAMPAIGN FOR BEEF TO STIMULATE CONSUMPTION, AND WILL RECOMMEND THAT MEMBER STATES REDUCE OR ELIMINATE THE TVA AND OTHER TAXES ON BEEF AT CONSUMER LEVEL..

1. THIS "PACKAGE" OF NEW BEEF MEASURES DOES NOT INCLUDE AN INCREASE IN EXPORT SUBSIDIES. THUS, THE EXPORT SUBSIDIES ESTABLISHED ON JULY 1 (REF. A) CONTINUE IN EFFECT.
GREENWALD

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